

BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
DOCKET NO. 2019-2-E

| | | |
|-----------------------------------|---|-------------------------------------|
| IN RE: |) | |
| |) | |
| Annual Review of Base Rates |) | MOTION TO STRIKE PORTIONS OF |
| for Fuel Costs for South Carolina |) | THE DIRECT TESTIMONY OF |
| Electric & Gas Company |) | GREGORY M. LANDER |
| |) | |
| |) | |

South Carolina Electric & Gas Company (“SCE&G”), pursuant to S.C. Code Ann. Regs. § 103-829(A), S.C. Code Ann. Regs. § 103-846, and Rule 12(f) of the South Carolina Rules of Civil Procedure, hereby files with the Public Service Commission of South Carolina (“Commission”) this Motion to Strike Portions of the Direct Testimony of Gregory M. Lander (“Lander”) on behalf of the South Carolina Coastal Conservation League and Southern Alliance for Clean Energy (“CCL” and “SACE”) (the “Motion”). This testimony of Lander was pre-filed in the above-captioned matter on March 20, 2019 (the “Lander Testimony”). For reasons set forth herein, SCE&G respectfully requests that the Commission strike portions of the Lander Testimony that do not relate to items for which fuel recovery is sought and are otherwise irrelevant to this proceeding.¹

ARGUMENT

On August 24, 2018, the Commission filed its Notice of Hearing and Prefile Testimony Deadlines (“Notice”). The Notice states that the purpose of this docket is to evaluate the fuel

¹ Contemporaneously with the filing of this Motion, SCE&G is also filing rebuttal testimony in which it responds to certain portions of Mr. Lander’s testimony which are subject to this Motion to Strike. By doing so, the Company specifically reserves and does not waive any of its rights under this Motion.

cost recovery mechanism used by SCE&G. This evaluation is accomplished, as set forth in S.C. Code Ann. § 58-27-865(B) (2015), through Commission directive and following a public hearing, wherein SCE&G shall put into effect a base rate in an “amount designed to recover, during the succeeding twelve months, the fuel costs determined by the [C]ommission to be appropriate for that period, adjusted for the over-recovery or under-recovery *from the preceding twelve-month period.*” (emphasis added). Thus, the purpose of the evaluation pursuant to this docket is to review fuel costs *already* incurred by SCE&G for projects *currently* in service.

Pursuant to the Notice, CCL and SACE filed the Lander Testimony. Within the Lander Testimony, Lander testifies as to the Elba Express Precedent Agreement (“Elba Express”), the Mountain Valley Pipeline Precedent Agreement (“Mountain Valley”), and the Transco Southeastern Trail Precedent Agreement (“Southeastern Trail”) (Elba Express, Mountain Valley, and Southeastern Trail, collectively, the “Agreements”). Lander’s irrelevant testimony on the Agreements begins at page 15, line 7, and ends at page 35, line 2. The Agreements pertain to projects that are not active and for which SCE&G is not seeking recovery of any costs. Therefore, any testimony relating to Elba Express, Mountain Valley, and/or Southeastern Trail is irrelevant to, and beyond the scope of, this proceeding.

The irrelevance of these Agreements is acknowledged by Lander in the Lander Testimony:

A. The reason this is important is because SCE&G has three precedent agreements that, among them, commit SCE&G (and potentially its ratepayers) to an additional [REDACTED] Dthd of firm capacity.

Q. You say “commit.” Does that mean these contracts are not yet serving customers?

A. Correct.

Direct Testimony of Lander at 15:8-13.

A. The Elba Express precedent agreement is a new contract between Elba Express and SCE&G that is not yet serving SCE&G's generation or its gas customers.

Direct Testimony of Lander at 17:18-19.

A. . . . I know for sure that neither of the MVP nor Transco Southeastern Trail contracts' costs are in this case because both of those contracts are for new capacity and neither of those projects have been placed into service.

Direct Testimony of Lander at 21:11-13.

Pursuant to S.C. Code Ann. Regs. § 103-846, "[i]rrelevant, immaterial or unduly repetitious evidence *shall* be excluded." (emphasis added). In addition, under Rule 12(f) of the South Carolina Rules of Civil Procedure, the Commission may strike any "insufficient defense or any redundant, immaterial, impertinent, or scandalous matter" from any pleading.

As noted above, this docket was established to evaluate the fuel cost recovery mechanism used by SCE&G and determine if adjustments, measured in the preceding twelve months, are appropriate. The portion of the Lander Testimony beginning at page 15, line 7, and ending at page 35, line 2, relates to projects that are not in service and have no bearing on past fuel costs. Testimony on projects not in service is outside the scope of S.C. Code Ann. § 58-27-865(B) (2015). Therefore, such testimony is irrelevant, immaterial, and beyond the scope of this docket. Furthermore, the Lander Testimony is improper as a matter of law because it is inconsistent with S.C. Code Ann. § 58-27-865(B) (2015). Accordingly, the Commission should strike the Lander Testimony in accordance with this Motion.

CONCLUSION

Based on the foregoing, SCE&G respectfully requests that the Commission grant SCE&G's Motion to Strike Portions of the Direct Testimony of Gregory M. Lander which was submitted on behalf of CCL and SACE, and strike Lander's irrelevant testimony beginning at page 15, line 7, and ending at page 35, line 2, of the Lander Testimony.

Respectfully submitted,

s/Benjamin P. Mustian
 K. Chad Burgess, Esquire
 Matthew Gissendanner, Esquire
 Mail Code C222
 220 Operation Way
 Cayce, SC 29033-3701
 Telephone: (803) 217-8141 (KCB)
 (803) 217-5359 (MWG)
 Facsimile: (803) 217-7931
 chad.burgess@scana.com
 matthew.gissendanner@scana.com

Mitchell Willoughby
 Benjamin P. Mustian
WILLOUGHBY & HOEFER, P.A.
 930 Richland Street
 PO Box 8416
 Columbia, SC 29202-8416
 Telephone: (803) 252-3300
 Facsimile: (803) 256-8062
 mwilloughby@willoughbyhoefer.com
 bmustian@willoughbyhoefer.com

Attorneys for
South Carolina Electric & Gas Company

Columbia, South Carolina
 This 25th day of March, 2019